

Status and Pathways to Sustainable Development of Growth Centres: Lessons from Makhado Biaba, South Africa

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1 ABSTRACT

Growth centers are a common and prevalent phenomenon that have been in existence for a very long time, particularly in Sub-Saharan African countries. While some growth centers have been developing, physically, economically and socially, others have not been performing well. Although several reasons have been attributable to declining or stagnant growth centers, very little is known about the effective and efficient pathways to developing these centers. For instance, amidst faltering growth centers in South Africa, very few studies have been conducted to determine the appropriate strategies and approaches to developing these spaces sustainably in the country. It has been observed that, the pathways to developing growth centers in South Africa have not been documented in a clear and convincing manner. Consequently, this paper explores the pathways to establishing and developing growth centers in South Africa. The work adopted a mixed methods research approach, which employs both quantitative and qualitative research approaches. A case study research design where Makhado Biaba growth center in South Africa was studied to get insights on the influence of rural growth centers on local economic development and the impact it has on the livelihoods of the people in and around Makhado Biaba area. The growth center was aimed to attain a positive livelihoods outcome through creating a balanced socio-economic development of an area thus, spill over effects covering more than just economic growth. Questionnaires survey and key informative interviews was applied as primary data collection methods, and excel and thematic analysis were employed for data analysis respectively. Findings shows that some parts of the communities lack services because the local municipality cannot meet the service demands. Hence, some areas will remain poor, as social services are necessary for socio-economic growth. Insufficient and inadequate stall structures are a handicap to informal traders in the growth center as in the raining and cold season it becomes both uncomfortable and unprofitable to them. The paper concludes that the level and nature of the services provided confirm that social growth and economic empowerment will have to take on a different shape as some areas still lack access to services. Therefore, the paper ends by recommending policy planning to make innovative adjustments to create more inclusive and advantageous environments for the informal street traders. Borrowing strategies' in organisational networks to create access to economical and livelihoods, which requires the establishment of networks with surrounding growth centres to "tap into" some of the benefits they offer and "borrow" some of their "strategies". Future studies are necessary for evaluating growth centers as a toll in creating a balanced socio-economic development for rural areas.

Keywords: South Africa, Makhado Biaba, Sustainable development, Pathways, Growth Centers

2 INTRODUCTION

A growth center is aimed to attaining a positive livelihoods outcome through creating a balanced socio-economic development of an area thus, spill over effects covering more than just economic growth (Wu, Guo and Zhou, 2020). Regional development strategies have been identified as a fundamental component prominently in the planning of South Africa's socio-economic space since South Africa gained its democracy in 1994 (Mlambo and Adetiba, 2020). Governments have long been trying to promote the approach of rural growth center strategies in an attempt to attract investment and sustainable local economic development. Over the past decade, this strategy has been implemented in developing countries including South Africa, while some growth centers have been developing, physically, economically and socially, others have not been performing well. Consequently, the strategy has deepened the problems of uneven regional development and the slowdown of socio-economic development in most rural towns in South

Africa. Most growth centers lack the necessary potential or a strong human resource base to kick start the processes of increasing subsequent growth (Hardoy and Satterthwaite, 2019). Most growth centers in South Africa currently show a contrasting picture, as they were simply chosen ahead of others without a natural resource base to exploit or an initial locational advantage, resulting in high rates of decline in both service provision and economic growth. Since the dawn of democracy in 1994, efforts have been made to alleviate the negative consequences of disadvantaged areas economic, social, and political exclusion (Makhathini, Mlambo and Mpanza, 2020). Plagerson, Patel, Hochfeld and Ulriksen (2019) argued that South Africa has some of the best policies and legislative frameworks implemented to address the challenges of regional development, however, the sustainable development issues of growth centers have remained the same for many if not all South African rural centers.

While economic growth is an important component of development, it is not the only one. Sustainable development is more than just a financial phenomenon. In the end, it must include more than just the material and financial aspects of people's lives (Bansal, 2019). As a result, sustainable development should be viewed as a multidimensional process involving the organisation and reorientation of both economic and social systems (Souto, 2021). Although several reasons have been attributable to declining or stagnant growth centers, very little is known about the effective and efficient pathways to developing these centers. For instance, amidst faltering growth centres in South Africa, very few studies have been conducted to determine the appropriate strategies and approaches to developing these spaces sustainably in the country. It has been observed that, the pathways to developing growth centers in South Africa have not been documented in a clear and convincing manner. This paper aims at explore the pathways to establishing and developing growth centers in South Africa. The paper starts by discussing the conceptual synopsis of growth centers and sustainable development, followed by the description of the study area which is Makhado Biaba growth center. The research methodology used in this paper was articulated followed by discussions on the finds of the study, and it ends by listing policy implications and the conclusion.

3 CONCEPTUAL SYNOPSIS

The 'growth pole' model, which arose from the work of Francois Perroux, a French economist, is the main theoretical foundation of the growth center concept, whose argument was that economic growth does not occur everywhere at once, but has different points of force in different poles, spreads through various channels on irregular intensities with unpredictable effects, and its final results for the state economy differ in different regions (Guo, 2021). Morison (2020) elaborated on growth centers as a regional planning strategy. He argued that the main problem for the economies of the least developed countries was a series of "interlocking vicious circles" in which the factors of production and abilities were dispersed and underutilised, necessitating "pressures" to mobilise the greatest amount of resources. As a result, some degree of polarisation is expected to stimulate development in disadvantaged areas or regions. Development is a lengthy process in which such interaction occurs not only between two industries, but also up and down and across the entire input-output matrix of an economy (Pahl and Timmer, 2020). Growth centers provide both goods and services to their own population as well as the surrounding population, resulting in a balanced socioeconomic development of an area (Atkinson, Muro, and Whiton, 2019). Growth centers have the potential to achieve a positive livelihood outcome, necessitating an effort to comprehend spill over effects encompassing more than just economic growth (Wu, Guo and Zhou, 2020). This creates growth centers, which are hubs of economic creativity that are spatially directed investment tools and sets of legislation for accelerating economic growth in most developed countries and developing countries such as South Africa.

Sustainable development has recently risen to the top of the international economic and political agenda, with all United Nations (UN) member countries promising to implement Agenda 2030, which includes 17 Sustainable Development Goals (SDGs). Which is about improving human well-being and quality of life for all people, especially those who are most affected by poverty and inequality (De Neve and Sachs, 2020). The purpose of sustainable development is to re-orientate South Africa's development path in a more sustainable direction and that, at the same time, issues of poverty and inequality are effectively addressed (Horner and Hulme, 2019). South Africa is a country in dynamic change and whilst South Africans agree on the broader developmental challenges they face, at present it does not have a common national vision or strategy for achieving sustainable development of growth centers. In development theory, economic sustainability

denotes a production system that meets current consumption levels without jeopardizing future needs (Mensah, 2019). The sustainability sought by economic sustainability is the sustainability of the economic system as a whole. A practical way to put the theory of economic sustainability into practice is to create a method of municipal planning that meets the needs of the general public, particularly the poor communities, while enhancing the natural environment (Fróna, Szenderák and Harangi-Rákos, 2019). However, social sustainability refers to a system of social organization that alleviates poverty. Yet, in a broader sense, social sustainability establishes the link between social conditions such as poverty and environmental decay (Dawes, 2020). The theory of social sustainability advocates for economic growth that is constrained by social equity requirements. To connect these, an enabling environment that optimizes resource use, prioritizes resource allocation, and promotes equitable resource distribution must be created (Yong, Yusliza, Ramayah, Chiappetta Jabbour, Sehnem and Mani, 2020). Consequently, environmental sustainability entails maintaining natural capital as both a provider of economic inputs known as “sources” and an absorber of economic outputs known as “wastes” (Ezimah, 2021). In reality, the theory of environmental sustainability suggests a planning process that allows human society to live within the biophysical environment's limitations.

4 STUDY AREA

Dzanani also known as Makhado Biaba is a town and also the name of a region in the former Venda, now part of Limpopo province of South Africa. According to the 2011 census, Biaba has a population of 2147 with 1157 females and 989 males. Biaba is 40 kilometers (25 min) from the town of Thohoyandou, and 50 kilometers (31 min) from Makhado. There is a tarred road leading to Biaba and other nearby areas. It is usually a warm place but can get very hot in summer and cold in winter; there is much less rainfall in summer. The average annual temperature is 20.3°C having a rainfall average of 822 mm, the area is good for agricultural purposes. Makhado Biaba used to be one of the four districts in the former Republic of Venda, along with Vuwani, Mutale and Thohoyandou (Makhado Municipality IDP, 2018/19). The majority of the surrounding communities in Makhado Biaba growth center survive primarily on subsistence farming and livestock keeping, with vegetables being sold when deemed necessary and appropriate to the market in Makhado Biaba growth center. Farmers rely on rain-fed agriculture and concentrate on both large grain and small grain production. Maize and green vegetables are the main crop types in these areas. In the surrounding communities, there is a clear trend of underdevelopment, unemployment, and poverty. Economic benefits and infrastructure development have yet to reach the surrounding communities, where poverty has continued to define and dictate people's lifestyles and living standards. The main services provided at Makhado Biaba growth center include education, which includes two primary schools (Balila primary and Hillside combine school, ending in grade 9) as well as a secondary school (Nngweni secondary school) and a Multipurpose College. The Makhado Biaba growth center also provides non-farming employment opportunities to the residents. Primary health care at the community clinic, restaurants, ATM banks, and retailing are also available at the growth center. The home ministries have offices at the growth center.

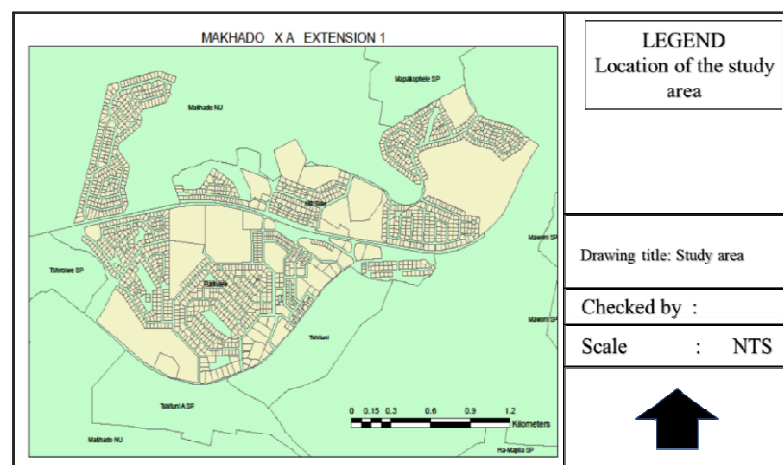


Figure 1: Location of the study area; Source: Makhado local municipality GIS dept.; Modified Authors, 2022

Figure 1 shows the Makhado Biaba growth center, which falls under the Makhado local municipal grow points. The growth centre has relatively small economic sector compared to the district, but more specifically

the provincial growth points. The growth center is serving mainly farming areas often having a sizable business sector providing a meaningful number of job opportunities (Makhado SDF, 2011). The growth centre has a few higher order social and institutional activities.

5 RESEARCH METHODOLOGY

This study adopted the case study research design where Makhado Biaba growth center in South Africa was studied to get insights on the influence of rural growth centers on local economic development and the impact it has on the livelihoods of the people in and around Makhado Biaba area. A mixed method approach was used to fully explore the research question: 'What is the current state of growth and development of the growth centre space in Makhado Biaba, South Africa?' A case study design was chosen to extract insights on the influence of the growth center on local economic development and the impact it has on the livelihoods of the residents living in Makhado Biaba and the surrounding communities. Located in Limpopo Province of South Africa, Makhado Local Municipality is a Category B municipality situated within Vhembe District Municipality. The District is made-up of four (4) local municipalities, namely; Thulamela Local Municipality, Makhado Local Municipality, Musina Local Municipality and the recently established Collins Chabane Local Municipality. Makhado Biaba town is located approximately 156 km from Polokwane City, which is the provincial capital (Makhado Municipality IDP, 2018/19). This work relied heavily on interviews, questionnaires and observations of the situation in Makhado Biaba. Key informant interviews were conducted with key informant personnel from Makhado Local Municipality and the business owners. Interviews were conducted with 17 respondents, in which 4 of them were from the planning department, 13 were business owners within the growth centre and 45 questionnaires were distributed to people who reside in Makhado Biaba and surrounding communities. Interviews with the municipal officials were unstructured and the interviews were conducted physically, and the questionnaires conducted with residents were structured. Random sampling was used to select households that were targeted for participating in the survey. Observations and literature were also used to support the information gathered using interviews and questionnaires. For the literature review on planning policies and development frameworks, a desktop study was used as the primary means of obtaining data. The data in this study was analysed statistically and thematically. Thematic analysis was applied to qualitative data from interviews and questionnaires. Town planning professionals, business owners and community residents all provided their unique experience which were all used as the basis of analysing the current state of growth and development of the growth center space within Makhado Biaba.

6 FINDINGS

Findings shows that Makhado local municipality has strategies/ approaches to sustainable development of Biaba growth point in place, however implementation is limited due to limited funds. Makhado growth center is smaller than the rest of the growth points in the Makhado local municipal area, because of limited potential for expansion and due to environmental limitations. Insufficient and inadequate stall structures are a handicap to informal traders in the growth centre, due to limited funds, the municipality is unable to implement some projects that can help communities develop both socially and economically. Socio-economic growth is important for achieving sustainable development of growth centers because it provides valuable insight into the shaping of future growth and investment that the municipality may take. Serving as indicators of where the Municipality's priorities should be in terms of development programs and strategic planning. Findings of the study are discussed as follows:

6.1 Strategies/approaches to sustainable development of Biaba growth point

Findings shows that the municipality encourages infill development within urban edges and growth points. The IDP is used as a development tool to promote municipal sustainable development and to promote investment in LED and areas designated as Strategic Development Areas (SDAs). Strategies and approaches towards social and economic efforts to improve the growth centre is promoted.

6.1.1 The principle of infill development within Strategic Development Areas (SDA's)

Infill development is frequently viewed as a way to address sprawl and its associated issues while also revitalizing and growing existing communities. Makhado local municipality has attempted to increase the amount of higher density infill development as a result of these potential benefits. According to Makhado

municipal official, infill will “fill in gaps in existing communities and play a critical role in achieving community revitalization, resource and land conservation, and alternatives to sprawl development.” Makhado local municipality encourages infill development within urban edges and growth points, which have been identified as Strategic Development Areas (SDA's) by the municipality as the main focus areas for future residential development and township expansion. Because of limited expansion potential and environmental constraints, the Makhado Biaba growth center is smaller than the rest of the SDAs in the municipal area. The intention with Makhado growth center is to fill the vacant areas between existing settlements and utilise available vacant land to its full potential (Makhado SDF, 2011). Infill development can provide numerous benefits to urban communities, including reduced environmental impact and promotion of resource and land conservation by utilizing already developed land rather than agricultural land (Abedini and Khalili, 2019). Infill development will strengthen the local economy by encouraging a diverse population of residents by providing a variety of housing for people of different income levels, which will increase property values (and thus property taxes) and strengthen the real estate market for all residents within the growth center. Nonetheless, for a variety of economic, political, and regulatory reasons, such new infill development has proven difficult to achieve in practice. Ewing (2019) argued that infill development is not a new development pattern; it is based on previous practices in growth management, land preservation, and community development. One important argument that has gone unnoticed in recent years suggests that policies encouraging infill may even be counter-productive in the long run.

6.1.2 Use of the IDP as a developmental tool

Makhado Local Municipality employs Integrated Development Planning (IDP) processes, and the Spatial Development Framework (SDF) to effectively plan the future development of the municipality's various areas. The goal is to achieve the most economical, environmentally friendly, and socially viable solutions for long-term benefits through development. With the IDP in place, the municipality can more easily attract investments. Using the IDP as a development tool to promote municipal sustainable development. Municipal officials stated that the IDP is used by the municipality to promote investment in LED and areas designated as Strategic Development Areas (SDAs) by the municipality, such as the Makhado Biaba growth center (Makhado SDF, 2011). While most aspects of the Integrated Development Planning documents do not directly relate to LED, almost all of the projects included in the IDP have a significant impact on local economic development (Masilo and Gershwin, 2020). Makhado local municipality defines the strategies and capital projects that they intend to implement to promote sustainable development within the municipal growth points using IDP. The IDP requires the municipality to specify the project's revenue source as well as its role in development and Black Economic Empowerment (BEE). According to the municipal officials, strategies and policies aimed at addressing the “Triple Challenge” of poverty, unemployment, and inequality are in place in the Makhado local municipality's IDP, but implementation is limited due to limited funds. The official went on to say that it is through the IDP that the municipality is able to implement interventions aimed at fostering long-term economic development, job creation, and poverty alleviation. Municipal officials responded that the IDP was used as a developmental tool to address inequalities in social and economic development in order to ensure job creation, eradicate poverty and hunger, improve access to basic services, and promote community skill development (Makhado Municipality IDP, 2018/19).

6.1.3 Social and economic efforts to improve the status quo

Some respondents expressed an interest in starting their own farming business. According to the narratives, these respondents prefer working for themselves to working for others. The respondents appear to prefer a method in which they can make things work for themselves rather than relying on others to create job opportunities for them. Most respondents mentioned agriculture and farming as one of their self-employment ideas. The desire to participate in agricultural and farming activities is there, but the mechanisms to create these types of jobs for rural young people are lacking. The National Youth Policy (RSA, 2015) recognizes that much more needs to be done to promote and support youth participation in agriculture, particularly issues such as access to land, implements and inputs, business skills, access to information, opportunities, and markets. Given their interest in agricultural activities, this could allow rural youth to participate in the economy without having to leave their rural homes for urban areas.

| Social efforts | Economic efforts |
|---|--|
| Standard service delivery by the municipality | Support and empowerment of farmers and small local enterprises |
| Youth empowerment and skills development | Attraction of investments |
| Improved quality of life | Economic infrastructure improvement |
| Availability of social amenities, recreational areas such as parks and entertainment centres. | Employment opportunities |

Table 2: socio and economic efforts to improve the status quo; Source: Field work, 2019

Table 2 illustrates the social and economic efforts to improve the growth centre. The growth center strategy is expected to result in the provision of basic services, as communities continue to face challenges such as inadequate service delivery and a high rate of unemployment combined with poverty. Thus, the government is providing strategies and approaches for job creation in the Makhado Biaba growth center through the Expanded Public Works Programme, which aims to provide poverty and income relief for the unemployed in the short to medium term through temporary work (Makhado Municipality IDP, 2018/19). As a result, at the sub-programme level, the program also offers training and business development assistance.

6.2 Current Status of Biaba Growth Point

Findings of the current status quo of the growth center illustrates that 28% of respondents matriculated and youth unemployment is an issue. Informal street traders having inadequate stall structure which is affecting them negatively hence, informal street traders have the lowest monthly turnover in the growth center.

6.2.1 Education and employment

Youth unemployment is one of South Africa's most serious social and economic challenges. According to the findings, an average of 30% of respondents with tertiary education in Makhado Biaba and surrounding communities are employed. An estimated 50% of people with primary, secondary, matriculated, and non-tertiary education are unemployed, while approximately 20% are self-employed. According to Ochilova (2020), education plays a significant role in an individual's ability to find work. As a result, the fact that many of these respondents dropped out before completing their matric puts them at a disadvantage, as many jobs nowadays require a matric certificate or additional skill sets. Education is thus a form of insurance against unemployment, even in difficult economic times. Figure 2 illustrates the educational levels of respondents in Makhado Biaba and surrounding communities.

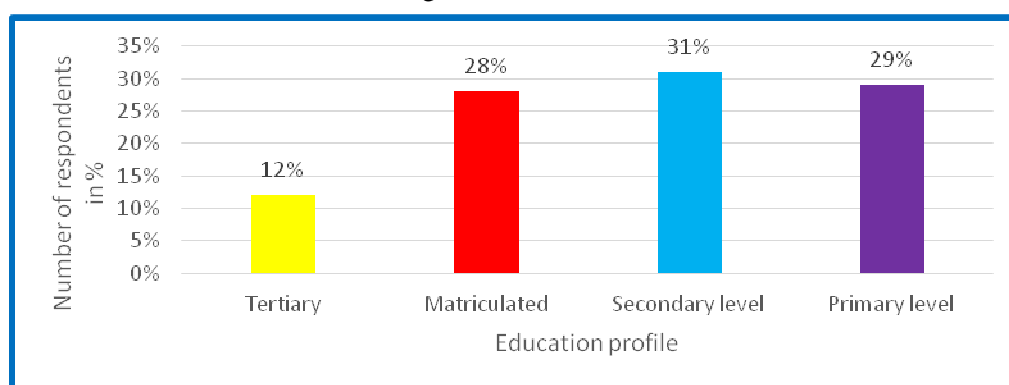


Figure 2: Education profile; Source: field work, 2019

Figure 2 shows that 31% of respondents in the study area have secondary level qualifications, followed by 29% who have primary level education, while 28% have matriculated, and 12% of the respondents who have tertiary qualifications. According to the findings, few respondents in the study area have completed tertiary education. As a result, educational levels are an important indicator of the quality of the work force that the growth center market can attract. Prior work experience and education are important factors in the labor market. Employers frequently prefer candidates with prior work experience and a higher level of education. Unfortunately for the respondents, lack of work experience is a stumbling block that makes it difficult for them to find employment. Another factor that respondents perceived as a barrier to obtaining or creating employment for themselves was lack of access to resources such as formal information sources,

opportunities to apply their skills, and capital to start their own businesses. According to the responses, the communities have considered starting their own businesses, but lack of funds and assistance prevents them from doing so. It is critical that young people are supported in achieving their goals. Most of the respondents mentioned that the government could play a role in helping them with these difficulties.

6.2.2 Informal trading activities in Makhado Biaba growth centre (business)

For the past ten years, activities within the growth center, such as informal traders, have increased. Informal street traders target taxi and bus ranks, as well as major shopping stores. According to the municipal officials from Makhado Local Municipality, informal trading is a popular business venture in the growth center, but it can be problematic if not handled carefully, as informal traders have formed associations that represent them. The Makhado Hawkers Association, for example, was formed to protect the rights of informal street traders. According to observations made during the field visit, informal traders conduct their businesses in parking lots and pedestrian walkways because the municipality has not designated any planned areas for them. Most informal street traders stated that having inadequate stall structure is a handicap because it becomes both uncomfortable and unprofitable during the rainy and cold seasons as they cannot sell anything if it rains cats and dogs. Informal trading dominates economic activities at the growth center, which some community members argued that it broadens their income base as their livelihoods has generally improved.



Plate 1: Informal trading challenges in the growth centre; Source: field work, 2019

Plate 1 shows that informal traders conduct their businesses in parking lots and pedestrian walkways because the municipality has not designated any planned areas for them. Most informal street traders stated that having inadequate stall structure is a handicap because it becomes both uncomfortable and unprofitable during the rainy and cold seasons as they cannot sell anything if it rains cats and dogs. Informal trading dominates economic activities at the growth center, which some community members argued that it broadens their income base as their livelihoods has generally improved (Makhado Local Economic Development Strategy, 2013).

6.2.3 Outcome of the efforts

Results shows that 60% of the businesses in the Makhado Biaba growth center have a turnover of between R5000 and R10 000, and these include vending activities and salons (informal traders). 22% of business operators in the growth center generate a turnover between R 11 000 and R 20 000 per month, and these include general dealers. Finally, 18% of businesses have a turnover of R21 000-R30 000 or more, and these include grocery stores, fast food outlets, and banking facilities and ATMs from all four major banking groups. This demonstrates that when compared to other businesses in the area, informal street traders have the lowest monthly turnover. Not surprisingly, informal business owners face severe cash-flow issues, which have a knock-on effect on their ability to manage their businesses profitably and maintain adequate stock levels. As a result, a better understanding of the opportunities for and constraints on informal street trading can influence and assist policy planning in making innovative changes to create more inclusive and beneficial environments for informal street traders in the growth center.

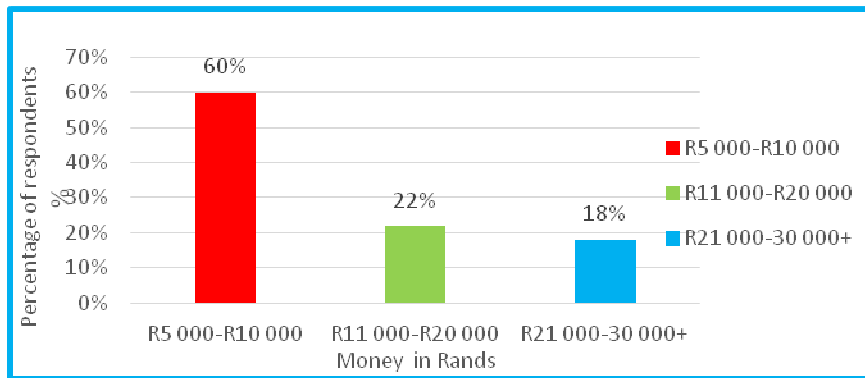


Figure 3: Monthly turnover of business; Source: field work, 2019

Figure 3 shows that small and informal businesses contribute to the gross domestic product of the local municipality and generate income for the majority of South Africans (Makhado Local Economic Development Strategy, 2013). This means that the more help they get, the more people they can hire, and the more prosperous our country becomes. In South Africa, small businesses are frequently viewed as a key potential driver of job creation, equality, and innovation. According to the National Development Plan, small businesses can create new job opportunities while also providing a path to economic empowerment.

6.3 Challenges

The Finding shows that the challenges of land conflicts between traditional and municipal authorities has resulted in slow and inconsistent development. Yet poor service delivery concerns the quality of management on the maintenance of services in the area. The LED division does not have its own budget; they rely on the budget of the corporative services department which is a serious setback.

6.3.1 Limited space for expansion for Makhado Biaba growth centre

Makhado growth centre is smaller than the rest of the growth points in the Makhado local municipal area, because of limited potential for expansion and due to environmental limitations. The intention with the growth point is to complete the vacant areas between the existing settlements and utilise available vacant land to its full potential. However, due to the limitations of the area no large scale expansions are foreseen. Thus, although Makhado Growth point is only 1000 ha in size, it could accommodate 11 667 households and should be the focus area for development due to its size (Makhado SDF, 2011 – 2nd draft). Municipal officials from Makhado Local Municipality stated some villages surrounding the growth centre have not been willing to release part of their land to cater for the expanding growth centre. Chiefs from the surrounding villages refused to give up land they were occupying for Makhado Biaba growth center expansion even after they had been advised that the land they were occupying was part of the growth center development plan. The boundary between the growth center and the surrounding villages has become overly obscured and overlapping. Due to land conflicts, conflict between traditional and municipal authorities has resulted in slow and inconsistent development. Section 81(3) of the Municipal Structures Act 117 of 1998 states that before a municipal council makes a decision on any matter directly affecting the area of traditional authority, the council must provide the leader of that authority with the opportunity to express his or her opinion or views on the matter. Act 41 of 2003 established a cooperative environment for traditional leaders and municipalities to collaborate by elaborating on traditional leaders' functions, though nothing more is said except that traditional leaders should support municipalities. Although the White Paper on Local Government attempted to foster understanding between municipalities and traditional leaders, it fell short of achieving a working relationship between the two because major decision-making powers remain with local municipalities.

6.3.2 Inadequate service deliveries and maintenance of municipal infrastructure

Despite the fact that there might not always be running water at the taps, the respondents from Makhado Biaba stated that they had access to clean water. However, the surrounding communities claimed that they lack such access because water is a major issue for them. Municipal officials from Makhado Local Municipality stated that some areas of the surrounding communities within the growth center lack services because the Local Municipality is unable to meet service demands because it is financially impossible to

provide the same level of services throughout the municipality. Since some communities do not contribute to the municipality's rate base, the Makhado municipality lacks the capacity to fund the same level of service provision in the area as in the growth center (urban area). Municipal infrastructure asset operations and maintenance are critical for municipalities to provide basic services to communities. One of the greatest challenge currently faced by Makhado local municipality is that of infrastructure maintenance. Hence, an element of poor service delivery concerns the quality of management on the maintenance of services like water and roads. As a result of lack of resources, such as funding to provide basic services, poor service delivery is likely to prevail in some areas, as illustrated in plate 2.



Plate 2: Road and storm water drainage challenges; Source: field work, 2019

Plate 2 shows the roads and storm water drainage systems are in poor condition; there are areas that are not paved, as well as several potholes and damaged road storm water systems. The poor state of municipal infrastructure asset operations and maintenance in South African rural municipalities and metros, combined with rapid urbanization, reduces their service delivery performance (DCOGTA, 2019).

6.3.3 Limited resources towards effective Local Economic Development (LED)

Municipal officials from Makhado Local Municipality mentioned that some of the challenges they face are lack of funding, human resources, and technical expertise. Due to limited funds, they are unable to implement some projects that can help communities develop both socially and economically. They stated that sometimes community members bring to them ideas for new projects, only to discover that there is no funding available due to limited resources in the local municipality. However, Rogerson, 2020 indicates that limited resources are impeding LED implementation and emphasizes that local authorities must use public management tools properly and effectively to promote economic development in their area of jurisdiction. Municipal officials have also stated that lack of staff is a major challenge in implementing LED projects. LED projects and LED officials lack the capabilities to carry out LED initiatives. Makamo (2020) supports this by stating that municipal officials and leaders are uninformed and unknowledgeable about local government issues, particularly LED issues. They also stated that the LED division does not have its own budget; they rely on the budget of the corporative services department, despite the fact that LED is viewed as a strategic plan to address poverty, unemployment, and inequalities that affect the majority of the local communities. Musavengane (2019) added that there is lack of funding for LED projects as well as lack of capital for development. These findings show that local municipalities face various challenges that contribute to poor LED implementation. Thus, lack of skills needed to drive growth and development, as well as lack of administrative capacity and ineffective implementation of development policy frameworks.

7 POLICY IMPLICATIONS

The SDF provides the spatial information with regard to development potential and growth areas that will give effect to the implementation of the sustainable development of growth centers. The SDF is utilised as a tool to ensure the eventual realisation of the spatial vision and the Integrated Development Plan of the municipality. Helping to addressing spatial development challenges of growth centers and having to know how the spatial expansion of growth centers will take place within an area. The IDP provides deadlock-breaking mechanisms to ensure that growth center projects and programmes are efficiently implemented. Thus assisting to develop realistic sustainable project proposals based on the availability of resources in the growth center. Consequently IDP plans prepare the government for future community needs.

8 THE PROPOSED PATHWAYS FOR SUSTAINABLE DEVELOPMENT OF GROWTH CENTRES

The paper come up recommendations of pathways for sustainable development of growth centers as listed and discussed below:

8.1 Open door policy

The municipality should make use of open door policy thus 'borrowing strategies' in organisational networks to gain access to economic and livelihood benefits available elsewhere, which necessitates the establishment of networks with growth centers that are performing well in order to 'tap into' some of the benefits they provide and 'borrow' some of their 'strategies.' Because it is not only hard infrastructure that provides the opportunity to tap into successful sustainable growth center, the networks can be organisational in nature. Cooperative arrangements between different organizations, such as best-performing municipalities or university partnerships, will allow for knowledge transfer and innovation.

8.2 Generating funding for LED projects.

The local government should figure out ways of creating money for LED. This could be accomplished by applying for funds from the National Treasury, the Province, and the Department of Cooperative Governance and Traditional Affairs, as well as marketing the municipality to attract local and external donor organisations and LED project investors. Since there will be ongoing projects, the municipality will be able to obtain more private funding. This will demonstrate to potential funders that their funds will not be squandered, the availability of funds is critical to the successful implementation of the LED projects. Apart from sector departments, which frequently budget for municipal projects, funding may also come from the private sector. To secure funding from the identified funders, the municipality must conduct extensive preparation. A well-researched and written business plan serves as the foundation for engaging with potential funders because it demonstrates that the municipality is fully aware of its situation and, more importantly, that it is capable of implementing the project. Prospective funders want to see serious commitment from recipients before investing money in a project.

8.3 Creating an entrepreneur-friendly economic climate

Municipalities must work to create an economic environment that is friendly and welcoming to all entrepreneurs in all sectors. It must resist the temptation to select "winning sectors" for special attention and economic incentives. As a result, the government should focus on creating an environment in which any commercial enterprise can thrive, and leave the future of South Africa's economy to the global forces already at work. To boost growth and create more jobs each year, businesses of all sizes, from micro businesses run by individuals and families to multi-million rand corporations run by professional managers, must be encouraged. Allowing the informal sector to thrive while removing regulatory barriers to its success. Recognising that an unregistered township-based entrepreneur who does not pay taxes or minimum wages is beneficial to the economy and will continue to be so for many years to come. Municipalities must regulate with a light touch so that people in the grey economy see more 'pros' than 'cons' in following the rules. Policy planning can be used to develop innovative changes to create more inclusive and advantageous environments for informal street traders, transforming them into ones that provide dignity and livelihood for the majority of households who rely on them on a daily basis.

8.4 Increasing infrastructure efficiency

Within the growth point, there is an urgent need to expand infrastructure and ensure that existing infrastructure is properly maintained. The municipality should improve public service efficiency by making merit-based appointments, utilising all available skills, and holding managers and bureaucrats accountable. Although privatisation will help bring in some of the revenue required to fund new infrastructure, it is unlikely to be sufficient, particularly at the start of the turnaround process. Such public-private partnerships have the potential to quickly revitalise critical economic infrastructure. This could also be used to improve municipal operational efficiency, improve financial management, and reduce fraudulent, irregular, and wasteful spending. Greater private sector participation in the provision, maintenance, and management of economic and social infrastructure would significantly increase capital investment. It would also increase the efficiency of the municipality and stimulate job creation.

8.5 Improving extension services for smallholder and emerging farmers

For smallholders and emerging farmers to transition to higher-value agricultural commodities and play a significant role in reducing poverty and strengthening rural development, intensive and high-quality extension support in collaboration with industry associations is required. Investing in innovative market linkages for smallholders. Thus contract farming and strategic government procurement, can play an important role in assisting smallholder farmers to attain greater productivity, access to inputs, and markets, and ultimately facilitate promotion to emerging and commercial status.

9 CONCLUSION

The paper sought to explore the pathways to sustainable development of growth centers: lessons from Makhado Biaba, South Africa. The paper went on to assess insights on the influence of rural growth centers on local economic development and the impact it has on the livelihoods of the residents living in Makhado Biaba and the surrounding communities. The results revealed development constraints, both economically and socially. Some parts of the communities lack services because the local municipality is unable to meet the service demands. Insufficient and inadequate stall structures are a handicap to informal traders in the growth centre as in the raining and cold season it becomes both uncomfortable and unprofitable to them. Overall, the paper recommends policy planning and an open door policy (borrowing strategies) and creating an entrepreneur-friendly economic climate as a pathway for sustainable development of growth centers.

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